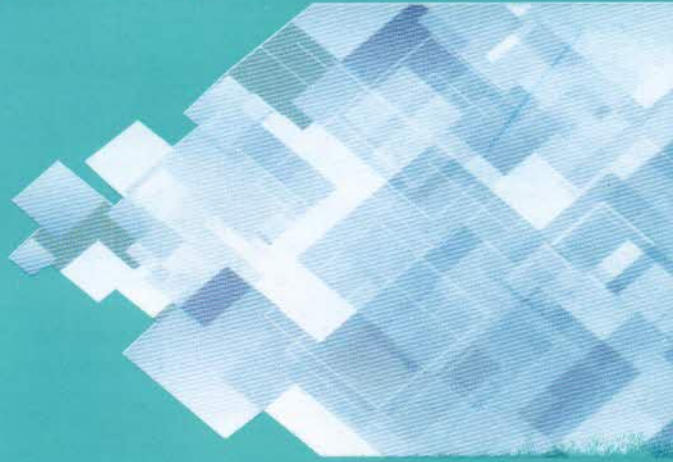


AL-KHAIR GADOON LTD.



**Condensed Interim
Financial Statements
Half Year Ended
December 31, 2019
(Un-Audited)**



COMPANY INFORMATION

BOARD OF DIRECTORS:	Mr. Mohammad Afzal Sheikh Mr. Mohammad Saeed Sheikh Mr. Sheikh Pervaiz Afzal Mr. Mohammad Amin Sheikh Mrs. Parveen Afzal Mrs. Farnaz Saeed Mrs. Aleeza Zahid Tariq Mr. Kamal Subhani	- Chairman - Chief Executive - Executive Director - Non-Executive Director - Non-Executive Director - Non-Executive Director - Independent Director - Independent Director
AUDIT COMMITTEE:	Mr. Kamal Subhani Mrs. Farnaz Saeed Mrs. Aleeza Zahid Tariq Mr. Khurram Iftikhar	- Chairman - Member - Member - Secretary
HUMAN RESOURCE & REMUNERATION COMMITTEE:	Mr. Kamal Subhani Mrs. Farnaz Saeed Mrs. Parveen Afzal Mushtaq Ahmed Shaheen	- Chairman - Member - Member - Secretary
CHIEF FINANCIAL OFFICER	Abdul Hafeez Poswal	
COMPANY SECRETARY:	Mr. Mohammad Amin Sheikh	
AUDITORS:	M/s. Tahir Siddiqi & Co., Chartered Accountants.	
LEGAL ADVISOR:	Mr. Naeem Anjum (Advocate High Court)	
SHARES REGISTRAR:	Shemas International (Pvt) Limited 533-Imperial Garden Block, Main Boulevard, Paragon City, Barki Road, Lahore.	
BANKERS:	Allied Bank Limited. Bank Alfalah Limited.	
REGISTERED OFFICE & FACTORY SITE:	92/3, 94A Phase III, Industrial Estate, Gadoon Amazai, District Swabi, (K.P.K) Tel: (0938) 270260, Fax: (0938) 270270	
CORPORATE OFFICE:	Al-Khair House, 43-T, Gulberg II, Lahore. Tel: (042) 111-111-043, Fax: (042) 35716588, 35753719 Website: www.alkhairgadoon.com	

CHAIRMAN'S REVIEW REPORT

I am pleased to present the unaudited Condensed Interim Financial Statements of the Company for the half year ended December 31, 2019.

Economy Overview and Foam Industry

Economy of the country remained under much depressive phase during the period under review resulting most of economic indicators witnessed as negative. GDP growth rate plunged from 5.8% in FY 2018 to 3.3% in the FY 2019 against target of 6.2%. GDP growth rate for FY 2020 has been projected at 3.3% where as leading economists and economic institutions are predicting GDP rate to remain at 2.8%. Massive depreciation of Pak Rupee, higher policy rate of 13.25% by SBP, uncontrollable dearness and ever higher inflation rate of more than 14% witnessed during the month of January 2020, squeezed the economic activities in the country which resulted negative effect on purchasing power of the consumers.

In view of intense competition where foam industry in the country is highly competitive. Since major raw materials for foam manufacturing are imported from all over the world, factors which always remained major risks for foam sector are fluctuation in raw material prices, currency exchange rate, duty structure and interest rate. Revenue by the foam industry is generated through retail network and due to tough measures for boosting of revenue by the Government, business at retail level has been witnessed a downside.

Operating Results

During the half year ended December 31, 2019, the Company sustained the track of progress and successfully overcame the challenges in terms of poor economical conditions prevailing in the country. During the period under review, sales revenue of your Company remained Rs.245.649 million as compared to Rs.260.180 million for the same period last year with a decrease of 5.58%. Gross profit and net profit for the half year under review remained Rs.32.056 million and Rs.7.036 million as compared to Rs.31.668 million and Rs.6.484 million respectively for the same period last year. Administrative, distribution and finance costs were kept under strict control and no major deviation has been witnessed. The Company posted per share earning of Rs.0.70 as compared to Rs.0.65 for the same period last year resulting the Company be able to generate stable cash flow to discharge its operational and financial liabilities well in time.

Future Outlook

The Government of Pakistan is striving to control current account deficit considerably and steps have been taken for institutional and economic reforms which will ultimately result to uplift the economy. It is essential to sustain reform momentum and keep focus on policies for securing stability and promoting sustainable growth. It is an urgent need for supportive policies to boost industrial productivity and creation of business friendly environment specially at retail level which will boost the growth of consumer products. The Company has firm belief that once the economy regains its growth momentum, it would boost demand of consumer goods including foam products which are need of every home. The Company is fully aware of economic situation and challenges within the industry in terms of cut throat competition, volatile raw material prices and squeezed buying power of the consumer goods. The Company aspires to continue its journey with the sights set on sustained and productive long term growth to strive for best use of its resources and is always committed and confident to meet these challenges by focusing the best possible operational efficiencies and synergies, taking every necessary step for continuous progress and financial health of the Company. The management of the Company expects better performance in future also and always focused the needs of its trade partnering customers.

Acknowledgement

I would like to thank all the stakeholders for their continued cooperation and support in achieving best possible results including our valued customers and retailers for their continued confidence in us, management team, staff members, workers, bankers and vendors.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN

Lahore: February 26, 2020

چیز مین کا جائزہ

میں نہایت مسرت کے ساتھ 31 دسمبر 2019 کو ختم ہونے والی معاشی کے لئے کھینچی کے غیر پڑتال شدہ عبوری مالیاتی حسابات پیش کرتا ہوں۔

معیشت کا جائزہ اور فوم کی صنعت

زیر جائزہ عرصہ کے دوران ملکی معیشت بہت زیادہ داؤ میں رہی جس کے نتیجے میں زیادہ تر معاشی اشارے منفی دیکھے گئے۔ جی ڈی پی کی شرح نمو مالی سال 2018 کے 5.8 فیصد سے کم ہو کر مالی سال 2019 میں 3.3 فیصد ہو گئی جبکہ ہدف 6.2 فیصد تھا۔ مالی سال 2020 کا ہدف 3.3 فیصد مقرر کیا گیا ہے جبکہ معروف اقتصادی ماہرین اور ادارے جی ڈی پی کی شرح نمو 2.8 فیصد رہنے کی پیش گوئی کر رہے ہیں۔ پاکستانی روپے کی قدر میں بڑے پیمانے پر فرسودگی، سٹیٹ بینک کی طرف سے پالیسی کی زیادہ شرح، بے قابو بینکاری اور جنوری 2020 کے مہینے میں 14 فیصد سے زیادہ افراط زر کی شرح نے ملک میں معاشی سرگرمیوں کو سکیزور یا بے جس کی وجہ سے صارفین کی قوت خرید پر منفی اثر پڑا۔ شدید مسابقت کے پیش نظر فوم کی صنعت انتہائی مسابقت کا شکار ہے۔ چونکہ فوم بنانے کے لیے خام مال پوری دنیا سے درآمد کیا جاتا ہے لہذا وہ عوامل جو فوم سکیزر کے لیے برا خطرہ بنتے رہتے ہیں وہ خام مال کی قیمتوں میں اتار چڑھاؤ، کرنسی کے تبادلے کی شرح، ڈیوٹی کا ڈھانچہ اور شرح سود میں اتار چڑھاؤ ہیں۔ فوم کی صنعت کی آمدنی خوردہ ٹیٹ ورک کے ذریعے حاصل ہوتی ہے اور حکومت کی جانب سے محصول بڑھانے کے لیے سخت اقدامات کی وجہ سے خوردہ فروشی کی سطح کے کاروبار میں کمی آئی ہے۔

آپریٹنگ نتائج

31 دسمبر 2019 کو ختم ہونے والی معاشی کے دوران کھینچی نے ترقی کی سمت برقرار رکھی اور ملک میں خراب معاشی حالات کے ضمن میں مشکلات پر قابو پایا۔ زیر جائزہ عرصہ کے دوران کھینچی کی خالص فروخت، پچھلے سال کے اسی عرصے کے دوران ہونے والی 260.180 ملین روپے کے مقابلے میں 5.58 فیصد کمی کے ساتھ 245.649 ملین روپے رہی۔ زیر جائزہ نصف سال کے دوران مجموعی منافع اور خالص منافع پچھلے سال کے اسی عرصے کے 31.668 ملین روپے اور 6.484 ملین روپے کے مقابلے میں بالترتیب 32.056 ملین روپے اور 7.036 ملین روپے رہا۔ انتظامی، تقسیم کاری اور مالی اخراجات کو سخت کنٹرول میں رکھا گیا اور کوئی زیادہ اخراجات نہیں پایا گیا۔ کھینچی نے گزشتہ سال کے اسی عرصہ کے دوران روپے 0.65، روپے کے مقابلے میں 0.70 روپے فی حصہ خالص منافع ریکارڈ کیا جبکہ وجہ سے کھینچی سکولم مالی بھلاؤ پیدا کرنے میں کامیاب رہی جسکی مدد سے کھینچی اپنی آپریٹنگ اور مالی ذمہ داریاں پوری کرنے میں کامیاب رہی۔

مشقیات کا مظہر نامہ

حکومت پاکستان جاری کھاتوں کے خسارے میں قابو پانے کی بھرپور کوشش کر رہی ہے۔ اور ادارہ جاتی اور معاشی اصلاحات کے لیے اقدامات کیے گئے ہیں جبکہ نتیجہ بالآخر معاشی سر بلندی کی صورت میں آئے گا۔ اصلاحات کی رفتار کو برقرار رکھنا اور استحکام کو برقرار رکھنے اور پائیدار نمو کو فروغ دینے کے لیے پالیسیوں پر توجہ مرکوز رکھنا ضروری ہے۔ صنعتی پیداواری صلاحیت کو فروغ دینے اور دوستانہ خصوصیتوں پر خوردہ فروشی کی سطح پر کاروباری ماحول پیدا کرنے کے لیے معاون پالیسیوں کی اشد ضرورت ہے جس سے خوردہ ایشیا جس میں فوم کی مصنوعات جو کہ گھر کی ضرورت ہیں کی طلب کو بڑھا دے گا۔ کھینچی معاشی صورت حال اور فوم کی صنعت میں جاری سخت مقابلے، غیر یقینی خام مال کی قیمتیں اور صارفین کی سکڑتی ہوئی قوت خرید سے پوری طرح آگاہ ہے۔ کھینچی اپنے وسائل کے بہترین استعمال کی جدوجہد کے لیے پائیدار اور طویل مدتی ترقی پر نظر میں جھامتے ہوئے اپنے سفر کو جاری رکھنے کی خواہش رکھتی ہے اور عملی طور پر بہترین آپریٹنگ صلاحیتوں اور بہتر مہنگائی سے ان چیلنجوں کا مقابلہ کرنے کے لیے ہر عزم ہے۔

اظہار تشکر

میں تمام اسٹیک ہولڈرز بشمول اپنے گاہکوں اور خوردہ فروشوں جنہوں نے ہم پر اعتماد کیا، انتظامی ٹیم، سٹاف ممبران، کارکنوں، بینکرز اور دکانداروں کا بہترین ملکنڈ نتائج کے حصول کے لیے ان کے تعاون اور مدد پر شکر گزار ہوں۔

محمد رفیق شیخ
چیز مین

لاہور: 26 فروری، 2020

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Al-Khair Gadoon Limited Review Report of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Khair Gadoon Limited as at December 31, 2019 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Sarah Tahir Siddiqui, ACA.



Tahir Siddiqi & Co.
Chartered Accountants
Lahore : February 26, 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	Notes	Un-Audited December 31, 2019 Rupees	Audited June 30, 2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	153,896,819	132,334,174
Deferred Tax Assets		3,342,348	3,342,348
		157,239,167	135,676,522
CURRENT ASSETS			
Store & Spares		1,123,541	2,154,781
Stock in Trade		202,415,713	198,861,532
Trade Debts		47,852,634	50,007,957
Advances, Deposits, Prepayments & Other Receivables		120,161,858	124,150,516
Cash & Bank Balances		5,085,983	3,130,415
		376,639,729	378,305,201
		533,878,896	513,981,723
EQUITY AND LIABILITIES			
Authorized Capital			
12,000,000 ordinary shares of Rs.10 each		120,000,000	120,000,000
Issued, Subscribed & Paid up Capital			
7,000,000 ordinary shares of Rs.10 each - issued for cash		70,000,000	70,000,000
3,000,000 ordinary shares of Rs.10 each - issued as bonus shares		30,000,000	30,000,000
Capital Reserves -Share Premium		25,000,000	25,000,000
Un-Appropriated Profit		104,009,989	96,974,308
Shareholders' Equity		229,009,989	221,974,308
NON-CURRENT LIABILITIES			
Deferred Liabilities		12,759,381	12,759,381
CURRENT LIABILITIES			
Trade & Other Payables		146,915,445	128,859,253
Short Term Borrowings	6	132,482,900	141,362,342
Un-Claimed Dividend		1,844,946	1,844,946
Provision for Taxation		10,866,235	7,181,493
		292,109,526	279,248,034
Contingencies & Commitments	7	-	-
		533,878,896	513,981,723

The annexed notes form an integral part of these condensed interim financial statements.


 MOHAMMAD AFZAL SHEIKH
 Chairman


 MOHAMMAD SAEED SHEIKH
 Chief Executive


 ABDUL HAFEEZ POSWAL
 Chief Financial Officer

Lahore: February 26, 2020



AL-Khair Gadoon Ltd.


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the Half Year and Quarter Ended December 31, 2019

	Half year ended		Quarter ended	
	Jul-Dec, 2019	Jul-Dec, 2018	Oct-Dec, 2019	Oct-Dec, 2018
	Rupees		Rupees	
Sales	245,649,437	260,179,796	146,157,788	181,773,400
Cost of Sales	(213,593,780)	(228,512,188)	(128,413,818)	(161,511,826)
Gross Profit	32,055,657	31,667,608	17,743,970	20,261,574
Operating Expenses				
Administrative Expenses	(12,460,238)	(10,822,326)	(6,928,385)	(6,241,509)
Distribution Expenses	(7,105,774)	(6,096,872)	(3,481,261)	(3,529,026)
	(19,566,012)	(16,919,198)	(10,409,646)	(9,770,535)
Operating Profit	12,489,645	14,748,410	7,334,324	10,491,039
Finance Cost	(3,766,145)	(5,102,246)	(2,772,792)	(4,408,093)
Other Income	1,996,923	90,321	436,833	-
Profit Before Taxation	10,720,423	9,736,485	4,998,365	6,082,946
Provision for Taxation	(3,684,742)	(3,252,247)	(2,192,367)	(2,272,167)
Profit after taxation	7,035,681	6,484,238	2,805,998	3,810,779
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period	7,035,681	6,484,238	2,805,998	3,810,779
Earnings per share - Basic & Diluted (Rupees)				
Before tax	1.07	0.97	0.50	0.61
After tax	0.70	0.65	0.28	0.38

The annexed notes form an integral part of these condensed interim financial statements.


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: February 26, 2020



AL-Khair Gadoon Ltd.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Notes	Jul-Dec, 2019	Jul-Dec, 2018
		Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES	9	41,480,731	75,690,364
Finance cost paid		(5,232,702)	(7,551,182)
Taxes / refund received		1,210,455	1,665,329
Net Cash Generated from Operating Activities		37,458,484	69,804,511
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(33,372,045)	(13,745,310)
(Payments for) / transfer from capital work in progress		3,128,571	(5,369,874)
Proceeds from sale of fixed assets		3,620,000	-
Net Cash(Used in) Investing Activities		(26,623,474)	(19,115,184)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short Term Borrowings		(8,879,442)	(50,540,831)
Net Cash Used in Financing Activities		(8,879,442)	(50,540,831)
Net Increase / (Decrease) in Cash & Cash Equivalent		1,955,568	148,496
Cash & Cash Equivalent At the Beginning of the period		3,130,415	2,781,299
CASH & CASH EQUIVALANT AT THE END OF THE PERIOD	10	5,085,983	2,929,795

The annexed notes form an integral part of these condensed interim financial statements.

MOHAMAMD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

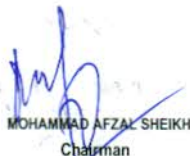
ABDAUL HAFIZ POSWAL
Chief Financial Officer

Lahore: February 26, 2020

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Share Capital	Share Premium	Un- appropriated Profit	Total
	Rupees			
Balance as at July 01, 2018 (as restated)	100,000,000	25,000,000	78,757,918	203,757,918
Total other comprehensive income for the half year ended December 31, 2018				
Profit for the period	-	-	6,484,238	6,484,238
Other comprehensive income	-	-	-	-
Balance as at December 31, 2018 (Un-audited)	100,000,000	25,000,000	85,242,156	210,242,156
Total other comprehensive income for the period ended June 30, 2019				
Profit for the period	-	-	12,910,550	12,910,550
Other comprehensive Loss	-	-	(1,178,398)	(1,178,398)
	-	-	11,732,152	11,732,152
Balance as at July 01, 2019 (Audited)	100,000,000	25,000,000	96,974,308	221,974,308
Total other comprehensive income for the half year ended December 31, 2019				
Profit for the period	-	-	7,035,681	7,035,681
Other comprehensive income	-	-	-	-
Balance as at December 31, 2019 (Un-audited)	100,000,000	25,000,000	104,009,989	229,009,989

The annexed notes form an integral part of these condensed interim financial statements.



MOHAMMAD AFZAL SHEIKH
Chairman

Lahore: February 26, 2020



MOHAMMAD SAEED SHEIKH
Chief Executive



ABDUL HAFEEZ POSWAL
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1 Legal Status and Operations

Al-Khair Gadoon Limited (the Company) was incorporated on August 27, 1990 as a Private Limited Company under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and converted into Public Limited Company on August 31, 1995 and is listed on the Pakistan Stock Exchange Limited. It is primarily engaged in manufacturing of foam and allied products. The registered office of the Company is situated at 92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa – Pakistan.

2 Statement of Compliance

- 2.1 These condensed interim financial statements of the Company for the half year ended December 31, 2019 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2019.
- 2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and 2018 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2019 and 2018.

3 Significant Accounting Policies

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in preparation of annual audited financial statements for the year ended June 30, 2019 except as stated in note 3.2 (a) below.
- 3.2 **Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards**
- (a) **Standards and amendments to published approved accounting and reporting standards which are effective during the half year ended December 31, 2019.**

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognized on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized.

However, the application of IFRS 16 does not have any material impact on the Company's books of account.

The amendments that were mandatory for the half year ended December 31, 2019 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

(b) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

3.3 The provision for taxation for the half year ended December 31, 2019 has been made on an estimated basis.

4 Accounting Estimates and Accounting Judgments

The preparation of interim financial statements require measurement to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual audited financial statements for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2019.

5 Property, Plant & Equipment

	31-Dec-19 Un-audited Rupees	30-Jun-19 Audited Rupees
Operating Assets		
Book Value at the beginning of the period / year	129,205,603	64,354,773
Addition during the period / year	33,372,045	77,336,761
Deletion during the period / year	(1,623,077)	(2,177,100)
	160,954,571	139,514,434
Depreciation charged during the period / year	(7,057,752)	(10,308,831)
Book Value at the end of the period / year	153,896,819	129,205,603
Capital work in progress		
Balance at the beginning of the period / year	3,128,571	8,701,223
Addition during the period / year	-	-
	3,128,571	8,701,223
Less: Transfer to operating assets during the period/year	(3,128,571)	(5,572,652)
Balance at the end of the period / year	-	3,128,571
	153,896,819	132,334,174

6 Short Term Borrowings

BAFL - Finance Against Imported Material		37,377,558	46,257,000
Loan from Directors - Unsecured	6.1	70,105,342	70,105,342
Loan from Associated Undertaking			
- Unsecured	6.2	25,000,000	25,000,000
		132,482,900	141,362,342

6.1 This represents the interest free loan received from directors to meet working capital requirement of the Company. It is unsecured and interest free which is repayable on demand.

6.2 This represents the interest free loan received from an associate undertaking. It is unsecured and interest free loan which is repayable on demand expected to be paid during current financial year.

7 Contingencies & Commitments

7.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the preceding financial year ended June 30, 2019.

7.2 Commitments

Commitments in respect of letters of credit for raw materials at the terminal date were Rs. 41.190 million (June 30, 2019: Rs.21.256 million), for machinery were Rs. Nil (June 30, 2019: Rs.8.816 million), and for spare parts were Rs.Nil (June 30, 2019: Rs.1.456 million).

8 Transactions with related parties

The Company's related parties include associated companies, entities over which directors are able to exercise influence, subsidiaries, staff retirement fund, directors and key management personnel. Detail of transactions with related parties during the period other than those which have been disclosed elsewhere in the interim financial statements are as follows:-

		31-Dec-19 Un-audited Rupees	30-Jun-19 Audited Rupees
Al-Khair Global (Private) Limited.	Sales	5,608,500	7,641,480
Noble Foam (Private) Limited.	Sales	15,400,000	13,346,156

Transactions with related parties are executed on arms' length prices. Directors are interested to the extent of their directorship / shareholding.

Name and nature of relationship

Related party	Nature	Relationship
Al-Khair Global (Private) Ltd.	Associated Undertaking	Common Directorship
Noble Foam (Private) Ltd.	Associated Undertaking	Common Directorship



AL-Khair Gadoon Ltd.

	31-Dec-19 Un-audited Rupees	31-Dec-18 Un-audited Rupees
9 Cash Generated From Operations		
Cash flows from operating activities		
Profit before taxation	10,720,423	9,736,485
Adjustments for:		
Depreciation	7,057,752	4,149,389
Provision for doubtful debt	215,042	1,144,480
Finance cost	3,766,145	5,102,246
Gain on sale of property, plant and equipment	(1,996,923)	
	<u>9,042,016</u>	<u>10,396,115</u>
Operating profit before working capital changes	19,762,439	20,132,600
(Increase)/decrease in current assets		
Stores and spares	1,031,240	387,761
Stock-in-trade	(3,554,181)	(37,274,821)
Trade debts	1,940,281	12,110,399
Advances, deposits, prepayments and other receivables	2,778,203	(7,301,131)
	<u>2,195,543</u>	<u>(32,077,792)</u>
Increase/(decrease) in current liabilities		
Trade and other payables	19,522,749	87,635,556
Cash generated from operations	<u>41,480,731</u>	<u>75,690,364</u>
10 Cash and cash equivalent		
Cash in hand	895,943	749,917
Cash in banks	4,190,040	2,179,878
	<u>5,085,983</u>	<u>2,929,795</u>

11 General

Corresponding figures have been re-classified where necessary for comparison purpose, however no significant re-arrangement have been made. Figures have been rounded off to the nearest rupee.

12 Date of Authorization

The condensed interim financial statements were authorized for issue on February 26, 2020 by the board of Directors of the Company.


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAIF SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: February 26, 2020

if Undelivered, Please Return To:



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